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Voluntary Public

Date: 7/9/2015

GAIN Report Number: ET1520

Ethiopia

Post: Addis Ababa

Africa Launches Ambitious Free Trade Agreement

Report Categories:

Agricultural Situation

Country/Regional FTA's

National Plan

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Report Highlights:

African leaders launched the Continental Free Trade Agreement (CFTA) at the June 2015 African Union summit in Johannesburg, South Africa. The target date for finishing CFTA negotiations is 2017. The agriculture-related negotiations will likely include discussions on SPS and TBT standards harmonization and the removal of non-tariff barriers. The CFTA is intended to help Africa reach its goal of tripling agriculture trade and services by 2025.

General Information:

At the African Union summit in Johannesburg from June 14-15, 2015, African heads of state [launched](#) the continental free trade agreement (CFTA) with the goal of completing negotiations by 2017. This ambitious continental free trade pact, which will build on the COMESA-EAC-SADC tri-partite free trade agreement, is expected to ‘yield significant benefits’ and will ‘foster economic growth, equitable development, and support integration through trade liberalization, industrialization and infrastructure development’. Further, the CFTA is an essential step towards reaching the Malabo Declaration goal of tripling intra-Africa agriculture trade and services by 2025. (See GAIN reports [ET1408](#) and [ET1504](#)).

With agriculture trade such an important element to the overall economic livelihood of the continent, it is expected to feature prominently in the CFTA negotiations. In particular, the trade talks, among other things, will likely focus on harmonization of SPS and TBT standards and the elimination of non-tariff barriers (NTBs) in a WTO-consistent approach. The AUC’s Department of Rural Economy & Agriculture (DREA) has already been proactively working to address these issues. For example, as part of their efforts to implement the Malabo Declaration targets, they are working with other AUC partners to develop a framework to help guide member states towards standards harmonization and eventual removal of NTBs by 2025. In addition, DREA recently established a continental SPS Committee ([ET1510](#)) and is considering the possible creation of a continental food safety authority ([ET1502](#)).

The expected standards harmonization under the CFTA would not only facilitate intra-Africa trade, but should theoretically also make it easier for African countries to export to other foreign markets. In addition, harmonization would encourage increased regulatory predictability and transparency, thereby attracting foreign businesses that are in search of opportunities to export agricultural and food products to African markets.

At the summit, African leaders recognized that to move the CFTA negotiations forward, AU member states as well as the RECs will require the continued support from UN Economic Commission for Africa (UNECA), the African Development Bank (ADB), the African Ex-Im Bank, and development partners. In addition, other development partners, including the United States, are expected to play an important role in building the necessary capacity to work towards achieving this goal.